

Business strategies by in-house company/unit

Business portfolio

Mizuho's business domains include banking, trust banking, securities, asset management, research and consulting, and other services. Our group-wide business is centrally managed under a holding company, and we have established five in-house companies with the aim of better providing services that meet client needs in a timely manner.

Mizuho strives to allocate corporate resources to the in-house companies optimally in line with group strategy, seeking to achieve sustained, stable growth in the corporate value of the entire Mizuho group through the individual in-house companies' provision of services for customers. We maintain disciplined financial management by setting targets for each in-house company (including profitability, ROE, and expense ratios) in line with group-wide financial targets, as well as the business characteristics and operating environment of each in-house company, and monitoring progress toward these targets during the fiscal year. Furthermore, each in-house company provides optimal solutions to customers by focusing allocation of corporate resources such as expenses, personnel, and risk-weighted assets (RWA) on domains in which it can leverage its own strengths based on an in-house company strategy linked to the group strategy.

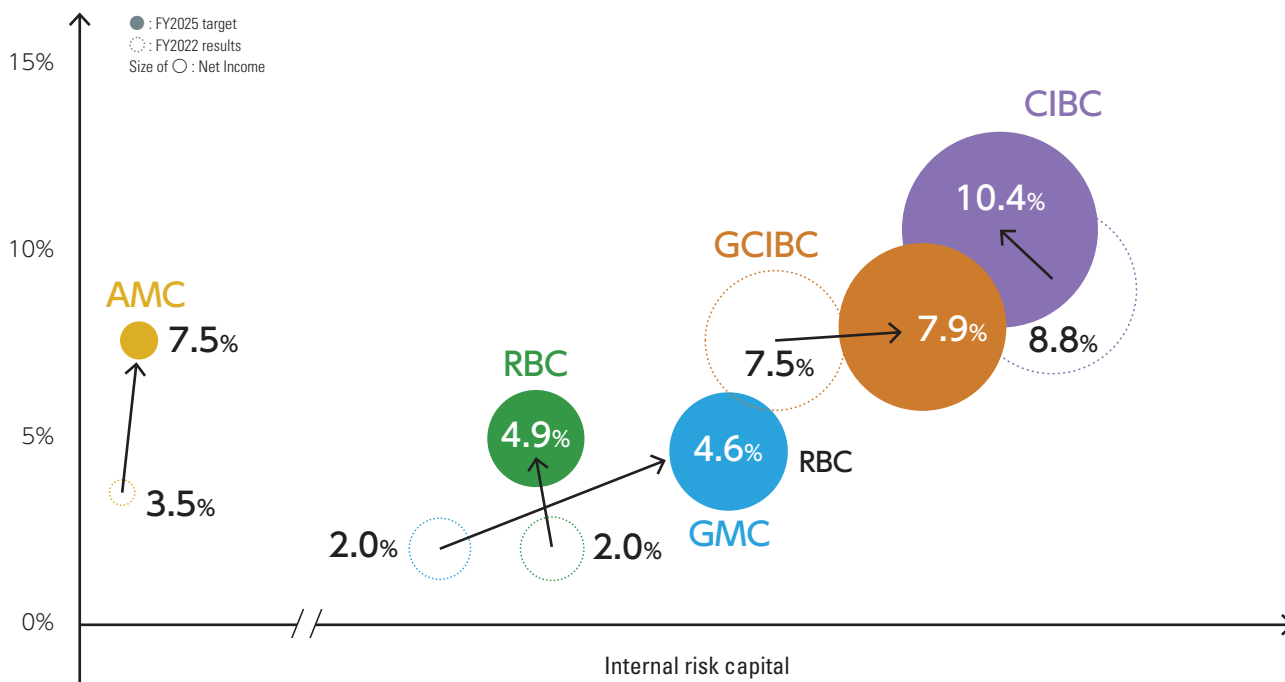
Mizuho pursues measures to improve our entire business portfolio's resilience to changes in markets and the economic environment by pursuing capital efficiency and growth, expanding our stable revenue base and diversifying our revenue sources, as well as improving the distribution and complementary effects of revenue within in-house companies, or among business domains spanning multiple in-house companies. In fiscal 2022, rising interest rates and weak stock prices caused deterioration in revenues from bond investments in our market divisions and a downturn in asset formation-related services for individual customers. However, deposit and loan services for corporate clients in particular achieved revenue growth, while the sales and trading business targeting institutional investors also delivered a robust performance, enabling us to verify our resilience to changes in the business environment.

Under the new medium-term business plan launched in fiscal 2023, we will aim to achieve our financial targets in terms of consolidated ROE and consolidated net business profits by making constant efforts to optimize our portfolio in line with the characteristics of individual in-house companies, thereby establishing a more resilient business portfolio possessing a combination of growth potential, efficiency, and stability.

Net Income ROE

- Retail & Business Banking Company (RBC) ● Corporate & Investment Banking Company (CIBC)
- Global Corporate & Investment Banking Company (GCIBC) ● Global Markets Company (GMC)
- Asset Management Company (AMC)

Net Income ROE



Historical data by in-house company

(group aggregate, management accounting, rounded figures) (¥ billion)
 Past years' figures are recalculated based on the new accounting rules for FY2023.
 Net Business Profits include Net Gains (Losses) related to ETFs and Others.



Retail & Business Banking Company



Kazutoshi Isogai
Senior Executive Officer
Head of Retail & Business Banking Company

We will address challenges arising from the social and business environments surrounding our customers around the world, such as the new era of longer lifespans, sustainability transformation, digital transformation, and asset and business succession, by efficiently allocating corporate resources and undertaking growth investment to sustainably grow our customer base as we endeavor to shift to a phase of business growth and expansion. This will enable us to contribute to improved personal well-being for individual customers and support the growth strategies and business transformation of corporate clients.

Business overview

The company is in charge of the customer segments of individual customers, SMEs, and middle-market firms

*Materiality areas: Declining birthrate and aging population, plus good health and lengthening lifespans Industry development and innovation Sound economic growth Environment and society

Strengths

- ▶ Consulting and solutions that seamlessly leverage group-wide collaboration between banking, trust banking, securities and other business areas for both individual customers and corporate clients
- ▶ Capability to respond to customer needs and originate business, strengthened under the new branch network dedicated respectively to individual customers and corporate clients
- ▶ Broad network with startups/innovative companies, IT platform providers, and IT players

Focuses

- ▶ We will build up a comprehensive asset consulting framework to provide robust support for individual customers' asset formation and management. In addition, we will provide solutions and risk capital to middle market firms, SMEs, and startups/innovative companies for which business succession or growth is expected.

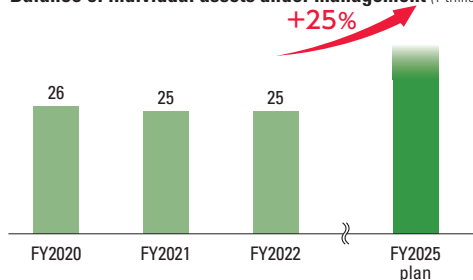
Optimization

- ▶ We will simultaneously upgrade the quality of customer services and boost operational efficiency by improving digital channels, which will enable us to improve customer experience by shifting human resources to provision of consulting and solutions.

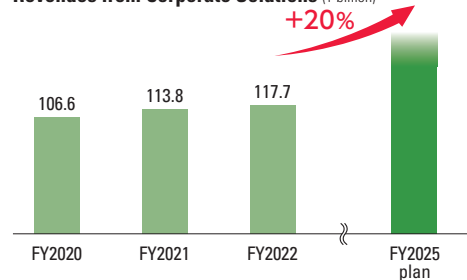
Measures to achieve medium-term business plan

We will improve customer experience by providing highly convenient digital services enabling various transactions to be completed without visiting our locations, while at the same also bolstering our capacity to serve customers either at branches or remotely by placing importance on customer touchpoints. For individual customers, we will meet their asset formation and management needs by means of highly convenient service channels and comprehensive asset consulting; for corporate clients we will provide high added-value solutions leveraging Mizuho's know-how, insight, and networks.

Balance of individual assets under management (¥ trillion)



Revenues from Corporate Solutions (¥ billion)



Corporate & Investment Banking Company






Masayuki Sugawara

Senior Executive Officer
Head of Corporate & Investment Banking Company

In order to further strengthen our ability to meet the increasingly diverse and complex needs of our clients, we established the new Corporate & Investment Banking Company by integrating the Corporate & Institutional Company with the investment banking functions of the Global Products Unit. Increasing public interest in sustainability and other social issues is accelerating various structural shifts. By resolving social issues and supporting clients to enhance their corporate value, we will contribute to the sustainable growth and prosperity of industry, the economy, and society as a whole.

Business overview

As the in-house company in charge of large corporations, financial institutions, and public-sector entities in Japan, the company provides products (M&A, real estate, etc.) on a group-wide basis.

*Materiality areas: Industry development and innovation  Sound economic growth  Environment and society 

Strengths

- ▶ Capacity to co-create value with clients through sector coverage structure, aligned among banking, trust banking, and securities
- ▶ Merged organization of sector coverage and product line to enhance capability to connect various functions within the Mizuho group and provide both financial and non-financial solutions
- ▶ Ability to provide sound risk capital for co-creating value with clients

Focuses

- ▶ In terms of sustainability including decarbonization, we aim to create businesses in a wide range of domains beyond finance by engaging deeply with clients and taking action to resolve their issues, as well as the issues affecting society and industry.

Optimization

- ▶ We will establish an appropriate balance of risk & return by reviewing our business portfolio. With regard to cross-shareholdings, we are continuing their steady reduction and effectively reallocating capital to highly profitable product areas, mezzanine financing, and the like.

Measures to achieve medium-term business plan

We will bolster our role as a partner that co-creates value with clients by accurately identifying the major trends of structural change in society and industry and providing a diverse range of financial and non-financial solutions to facilitate clients' sustainable growth and prosperity. By integrating coverage and products following the establishment of the new in-house company, we will ensure "market-in" approaches to clients (i.e., approaches informed by client needs), thereby enhancing our ability to provide solutions.

League tables

	FY2019	FY2020	FY2021	FY2022
ECM ¹	#4	#4	#4	#4
DCM ²	#1	#1	#1	#1
M&A ³	#3	#15	#5	#5
SDG bonds ⁴	#1	#1	#1	#1

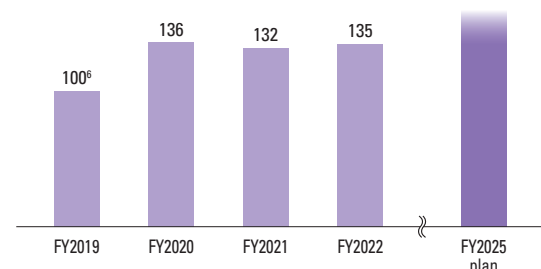
1. Equity underwriting amount worldwide, bookrunner basis. Source: Refinitiv

2. Including straight bonds, investment corporation bonds, zaito institution bonds, municipal bonds (lead manager method only), samurai bonds, and preferred securities and excluding bonds issued by Mizuho. Source: Refinitiv

3. Deals in which Japanese companies were publicly involved. Excluding real estate. Source: Refinitiv

4. Source: Refinitiv

Strategic investment balance⁵



5. Strategic Investment: Hybrid financing, Equity & Mezzanine, etc.
6. With FY2019 results as 100

Global Corporate & Investment Banking Company






Hidekatsu Take
Senior Executive Officer
Head of Global Corporate & Investment
Banking Company

As a strategic partner supporting our clients' global businesses, we will leverage our firm presence in the US capital markets and our extensive network in Asian economic zones to provide comprehensive financial solutions to clients in each region. In addition, we will use engagement as a means of supporting their business development and transition to decarbonization, while also helping to resolve social issues.

Business overview

Providing solutions on a unified group basis to clients including both Japanese companies operating outside Japan and non-Japanese companies.

*Materiality areas: Industry development and innovation  Sound economic growth  Environment and society 

Strengths

- ▶ Corporate & Investment Banking (CIB) business model that offers both balance sheet and capital markets / investment banking functions such as DCM, ECM, and M&A, and a firm presence in US capital markets
- ▶ Extensive international network centered on Asia where the economy is growing
- ▶ Robust client base and strong loan portfolio

Focuses

- ▶ The growth drivers in our business outside Japan are the US, which has the largest fee pool, and Asia, which has strong economic fundamentals. We are working toward further growth by prioritizing allocation of corporate resources in these regions.

Optimization

- ▶ We will consolidate administrative operations outside Japan into Mizuho Global Services India and deploy best practices and digital transformation to standardize work processes. At the same time, we will strategically reallocate corporate resources throughout each region, replacing underperforming assets with highly profitable assets.

Measures to achieve medium-term business plan

We will take bold steps to improve asset profitability through further enhancement of CIB capabilities in the US, and through expanding non-interest income and revising our portfolio by extending the CIB model to Asia-Pacific and EMEA. We will also take steps to enhance our framework of internal controls and business expansion to ensure its alignment with increasingly demanding supervisory perspectives and tightened regulations. Towards further business growth and stable operations, we will enhance and diversify our human capital portfolio by employing professional human resources well-acquainted with each local market and developing the core personnel who can work internationally in the future.

League tables

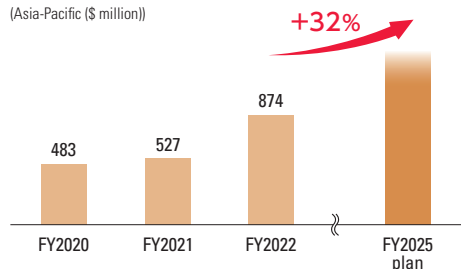
	FY2019	FY2020	FY2021	FY2022
Americas DCM ¹	#9	#9	#8	#8
excl. US banks	#3	#3	#2	#2
Share	3.3%	3.4%	3.5%	4.2%
Americas Non-IG LCM/DCM ²	#25	#17	#21	#16
excl. US banks	#11	#8	#10	#6
Share	1.0%	1.4%	1.4%	1.7%

1. Bonds issued by investment grade corporations, fee basis. Source: Dealogic.

2. Bonds and loans issued by non-investment grade corporations, fee basis. Source: Dealogic.

Transaction banking

(Asia-Pacific (\$ million))



Global Markets Company



Daishi Sasaki

Senior Executive Officer
Co-Head of Global Markets Company

Kenya Koshimizu

Senior Executive Officer
Co-Head of Global Markets Company

Regarding our sales and trading business, we will enhance our ability to respond to diversifying client needs by further acceleration of integrated banking and securities operations in each region, and boost our capacity to provide market solutions, and to pursue digitalization. With respect to our banking operations, under the situation in which highly uncertain market conditions are expected to continue, we will realize stable earnings by controlling risks through flexible operations by early warning signals management and close market analyses.

Business overview

The company engages in sales and trading (S&T) business offering market products, and banking operations comprising asset and liability management (ALM) and investment.

*Materiality areas: Sound economic growth



Strengths

- ▶ S&T business integrated across banking and securities, aligned to regional characteristics in the US, EMEA, Asia (ex-Japan) and Japan respectively
- ▶ Stable S&T business underpinned by various clients under the Corporate & Investment Banking (CIB) business model
- ▶ Global ALM management and flexible portfolio management by capturing early warning signals, etc. in our banking operations

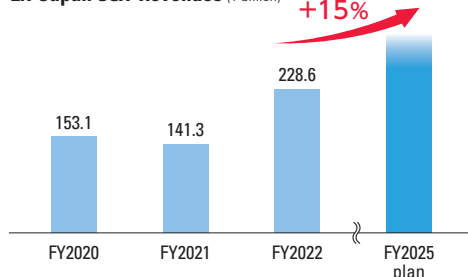
Focuses

- ▶ In our S&T business, we will focus on expanding product lines that contribute to growth of the CIB business model around the world, and ensure earnings stability through business diversification and transaction flows. In our banking operations, we will improve our Japanese yen- and foreign currency-based ALM to ensure it is responsive to changes in the market environment and focus on flexible portfolio management integrating investment and ALM.

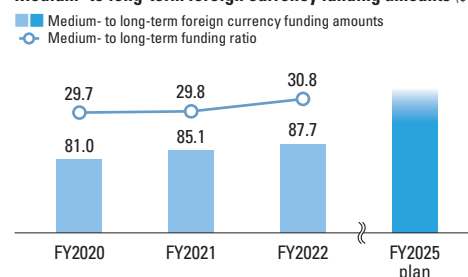
Measures to achieve medium-term business plan

We will focus on expanding equities business in Japan and the US, and derivatives business in Asia (ex-Japan), while in the EMEA region we will focus on products consistent with our CIB business model. This will enable us to further accelerate integrated banking and securities operations within the S&T business in each region. To manage increasing foreign-currency assets on our balance sheet, we will increase the stability of our capacity to procure foreign currency funding, including by effectively using yen-dominated assets. In investment product sales in Japan, we will aim to increase earning opportunities from corporate clients by furthering acceleration of integrated banking and securities operations through reinforcement of our capacity to provide financial product intermediary services.

Ex-Japan S&T Revenues (¥ billion)



Medium- to long-term foreign currency funding amounts (\$ billion, %)



Asset Management Company



Noriyuki Sato
Senior Executive Officer
Head of Asset Management Company

To cultivate asset formation and management that meets customers' needs, we will further strengthen our investment capabilities through selection and concentration attuned to the demands of the times, while enhancing our product lineup and provision of solutions. We will aim to grow the asset management business further by responding as part of a unified group, including long-term asset formation for individual customers that benefits from the support of the tax system for Nippon Individual Savings Accounts (NISAs) and individual-type defined contribution pension plans (iDeCo), and investment diversification needs including alternative investments for institutional investors.

Business overview

The company acts as part of a unified group to provide investment products and solutions that match the asset management needs of a wide range of customers, from individuals to institutional investors.

*Materiality areas: Declining birthrate and aging population, plus good health and lengthening lifespans Sound economic growth Environment and society

Strengths

- ▶ Asset Management One, our in-house asset management arm, characterized by strong investment capabilities and advanced sustainability initiatives
- ▶ Distribution network in and outside Mizuho group and robust support platform
- ▶ Providing solutions to institutional investors as a unified group
- ▶ Wide-ranging contact points with corporate clients through corporate pension scheme management and their employees as potential individual customers

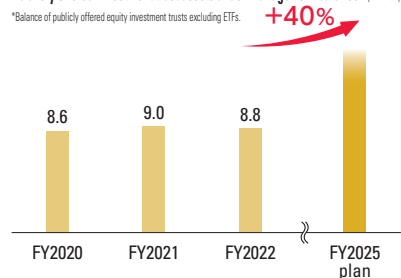
Focuses

- ▶ Expand asset formation and asset management services for individual investors, and enhance investment performance
- ▶ Promote asset formation for individual investors through the pension business
- ▶ Bolster investment solutions and alternative investments capabilities that match the needs of institutional investors

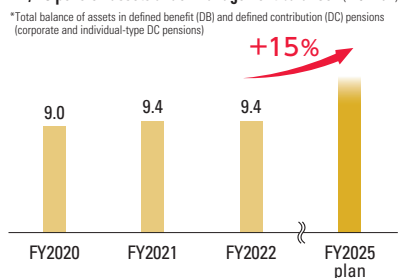
Measures to achieve medium-term business plan

For individual customers, in addition to enhancing our investment capabilities, we will expand our product portfolio, including strategic products for the new NISA, through appropriate collaboration with our internal distribution network, ensuring our fiduciary duties. We will also support human capital enhancement for corporate clients and promote asset formation for individual customers through the pension business. Furthermore, we will develop and provide investment solutions addressing the needs of pension funds and other institutional investors, and strengthen our alternative investment capabilities.

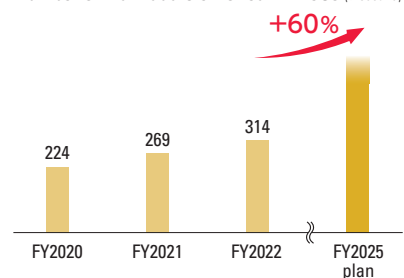
Publicly offered investment trust assets under management balance* (¥ trillion)



DB/DC pension assets under management balance* (¥ trillion)



Number of individuals enrolled in iDeCo (thousand)



Global Transaction Banking Unit

The Global Transaction Banking Unit was set up as a dedicated unit to respond precisely to needs in relation to transaction banking business, which are increasing in sophistication and complexity globally. We aim to establish a new, highly secure and convenient business domain in which we take advantage of advancing digitalization while continuing to provide reliable settlement services.



Tsutomu Yamamoto

Senior Executive Officer
Head of Global Transaction Banking Unit

Business overview

The Global Transaction Banking Unit provides a range of solutions in the transaction banking area including settlement, cash management, securities management, and trade finance for corporate clients in Japan and elsewhere around the world.

Strengths

- ▶ Providing financial products in a client-oriented and multi-layered way, and offering sophisticated product expertise
- ▶ Ability to provide solutions on a global basis, by leveraging networks both in Japan and around the world
- ▶ Recognized as top rated bank in custody and trade finance business both in the Japanese and broader Asian markets

Measures to achieve medium-term business plan

We will constantly work to maintain and reinforce our settlement infrastructure and platform in order to provide stable settlement services as a form of social infrastructure. In addition, we will endeavor to create next-generation business opportunities by offering solutions that address global changes in trade flows, supply chains, and regulations, and also responding flexibly to trends including new settlement technologies or settlement service providers.

Research & Consulting Unit

Mizuho will differentiate itself by setting its sights one step ahead as it endeavors to solve the issues of its clients and society. To that end, we will deliver distinctive research content and provide highly specialized consulting services in response to rising social, economic, and industrial uncertainty and the changing needs of our clients.



Yasuhiko Ushikubo

Senior Executive Officer
Head of Research & Consulting Unit

Business overview

The Research & Consulting Unit leverages its knowledge of industry, corporations, economics, and financial markets and its expertise in business strategy, sustainability, digital transformation, and similar fields to support all the in-house companies.

Strengths

- ▶ High-quality research functions backed by deep knowledge of industry, corporations, economics, and financial markets
- ▶ Consulting functions exercising high levels of expertise in business strategy, sustainability, digital transformation, and similar
- ▶ Combining various areas of expertise and coordinating financial functions within the group to enable high-quality, innovative value creation

Measures to achieve medium-term business plan

- Deliver distinctive research content addressing specific themes or cross-sector businesses, focused either one step ahead or on the medium- to long term
- Strengthen consulting capabilities centering on the business strategy, sustainability, and digital transformation, including combining insights across multiple areas and collaborating with partners inside and outside Mizuho.
- Sow the seeds for new businesses by strengthening initiatives that utilize external knowledge and other resources to address new fields